



Success and Luck: Good Fortune and the Myth of Meritocracy

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From *New York Times* bestselling author and economics columnist Robert Frank, a compelling book that explains why the rich underestimate the importance of luck in their success, why that hurts everyone, and what we can do about it

How important is luck in economic success? No question more reliably divides conservatives from liberals. As conservatives correctly observe, people who amass great fortunes are almost always talented and hardworking. But liberals are also correct to note that countless others have those same qualities yet never earn much. In recent years, social scientists have discovered that chance plays a much larger role in important life outcomes than most people imagine. In *Success and Luck*, bestselling author and *New York Times* economics columnist Robert Frank explores the surprising implications of those findings to show why the rich underestimate the importance of luck in success--and why that hurts everyone, even the wealthy.

Frank describes how, in a world increasingly dominated by winner-take-all markets, chance opportunities and trivial initial advantages often translate into much larger ones--and enormous income differences--over time; how false beliefs about luck persist, despite compelling evidence against them; and how myths about personal success and luck shape individual and political choices in harmful ways.

But, Frank argues, we could decrease the inequality driven by sheer luck by adopting simple, unintrusive policies that would free up trillions of dollars each year--more than enough to fix our crumbling infrastructure, expand healthcare coverage, fight global warming, and reduce poverty, all without requiring painful sacrifices from anyone. If this sounds implausible, you'll be surprised to discover that the solution requires only a few, noncontroversial steps.

Compellingly readable, *Success and Luck* shows how a more accurate understanding of the role of chance in life could lead to better, richer, and fairer economies and societies.

Success and Luck: Good Fortune and the Myth of Meritocracy Details

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From Reader Review Success and Luck: Good Fortune and the Myth of Meritocracy for online ebook

Atila Iamarino says

Um livro curto mas muito bom, com a melhor discussão de meritocracia que já encontrei. O autor faz uma grande discussão sobre porque tendemos a achar mais que o nosso sucesso é devido apenas à competência pessoal conforme ganhamos mais. Também fala sobre o papel da chance e de infraestrutura para alguém poder dar certo.

Tudo isso para argumentar por um tipo diferente de taxa  o para os mais ricos (que   a  rea de pesquisa do autor). N o foi bem pelo que li o livro, mas tamb m   uma li  o legal. Principalmente porque ele leva bastante em conta como status   um atributo relativo, ou seja, mesmo com todos ganhando menos, ricos ainda teriam o mesmo status que tem.

A proposta do autor   escrever somente o necess rio e foi bem o que ele fez. Tem pouca redund ncia com outros livros que j  li e fiquei querendo mais. Complementos legais: O andar do b bado falando sobre o papel da chance no sucesso e The Power Paradox: How We Gain and Lose Influence falando sobre a perda de empatia que acontece com o ganho de poder.

Zahwil says

I bought this book because I am interested by the fact that people feel deserving of the rewards of their work; yet in a deep way, we don't influence our talents or even our propensity for hard work. That is, we have certain natural endowments (say genes) that are cultivated, or not, by our parents and early childhood experiences.

I was disappointed that Frank's book only addresses the philosophical underpinnings of success and luck in a tangential way. He doesn't get into the really deep stuff.

It's a very short book, and he says early on that he resisted his publishers attempts to cover more ground. The publishers had a point, I think, because Frank only conveys one basic idea throughout his book and that could have been distilled into a short article.

Basically, Frank's point is that just as bull elk have massive, unwieldy antlers that are wasteful for all in their evolutionary efforts to 'keep up'; we humans splurge on mansions, automobiles and weddings in a similar effort to keep up with the norms of our social circles.

All this waste would stop (or be reduced) if only we would adopt a progressive consumption tax (basically a tax on spending that takes a bigger bite the more that you spend). This, says Frank, would discourage spending among the wealthy, increase savings, and thereby lower interest rates, motivate investment by firms, and therefore increase productivity and our standard of living.

Even the short description above I had to mostly glean from Frank's Appendix II, as for some unknown reason, he chooses not to get into any details of his tax solution within the actual body of the book.

Instead, Frank devotes his pages to describing the results of silly (sorry - just my opinion) behavioral experiments whose results are obvious or at least not insightful. He finds, for example, that people are more interested in befriending and attributing kindness to a CEO who acknowledges the role of luck compared one who takes personal credit for his success.

There are a few good nuggets/lessons within the book that I enjoyed:

- Even if luck is a small factor in our lives, it is often the decisive factor in competitive arenas where the skill level of many participants is going to be very close
- We are more attractive as a team member and leader if we cultivate an attitude of humility; indeed, we will be more effective if we attribute ideas and success widely (i.e. higher levels of engagement and ownership of the team)
- The 'terms of reference' that you apply to your lives really matter in terms of making you an unwitting participant in the sort of wasteful, positional spending that many of us get caught up in

Peter Mcloughlin says

A short book with a few psychological insights that boil down to the simple fact that success depends on luck and chance but successful people think it is all them.

John Mihelic says

In this book, Robert Frank is doing to things in my opinion.

The first is that success in life is due in large part to luck. Your economic outcomes are dependent on lots of things that can be assigned to random chance outside of the old canard of hard working men pulling themselves up by the bootstraps. I think the case is made in the book for that hypothesis to be viewed as mostly true.

The second part is that there should be a progressive consumption tax. This is dropped in the last third of the book, and I had all sorts of questions about how it would be applied. Most of them were answered in an appendix but I'm still not sure how businesses are taxed (if at all in his paradigm).

The problem for me was that these two separate ideas felt very loosely connected. The idea is that since success is random, then we need to prevent the thing where people strive to keep up with the Joneses and spend beyond their means or at the top limit of their means. It seems weird to me because it is designed to discourage spending and growing consumer spending is one of the things that makes capitalism grow – and degrowth in a capitalist economy is recession and people thrown out of jobs and deflation. There seem to be a lot of knock-on effects that are unaddressed here.

For me, though, this seems to be one of those things where it is a solution looking for a problem, and as a

reader I wasn't sold on the solution as much as I was sold on the problem and still wonder about the link between the two.

William says

This was a quick and easy read. I'm not sure how much weight anyone should put on my review as I have been drinking this Kool Aid for a few years now. The amount of evidence regarding the connection between success and luck is overwhelming. The author does a good job of walking the reader through the connections and the empirical data along with sprinkling anecdotes from his own and other's lives as well.

I think my favorite part is his metaphor using headwinds and tailwinds on a bicycle. You never notice the tailwind pushing you along (e.g., born in the USA, parents who read to you and fill your house with books, white male, etc.). But when the headwind is there, it occupies all your thoughts and efforts.

Brandon says

This book is a mixed bag of goodness, thought provocation, and then a seemingly random diversion into tax policy. There are some great dinner party conversation starter ideas contained herein, and if you have ever given this topic any thought, this is worth the time.

In my own personal self-evaluation of the last couple of years, I have been reflecting deeply on the role of seemingly inconsequential acts from unintended benefactors have shaped my future success. There is no doubt, then, that luck has played a very significant role in my own life. It's very easy, as a product of an elite education system, to come to the conclusion that all success has been earned through hard work. However, as Frank writes in this book, the resultant success of any one individual is undoubtedly the product of collective effort and luck.

The sojourn into tax policy felt strange and out of place in this book. That has more to do with my own expectations which I brought to reading it. I can see, however, how Frank would use the notion of luck as a foil for projecting the need for a very progressive tax policy change. I will admit, I had to this point never considered how a progressive consumption tax implementation would impact society; at least not as he has postulated. Frame of reference and comparisons drive action in a competitive society, into which (like it or not) homo sapiens have evolved. By reducing the overall levels of comparisons, such that no one individual feels worse off relative to the masses, Frank argues that wasteful spending could be curtailed and tax dollars (or otherwise) could be put to more effective uses. I will think on this in the coming months.

The other core pillar of this book is the notion that as borders and spheres of influence have been rendered effectively meaningless, the notion of winner take all (or, as my preferred model - winner take most) in a competitive environment is more likely to occur, where the economic benefits accrue to fewer and fewer players. Thus, the notion of luck is all the more important, since the series of seemingly random interactions which ultimately result in success are, by definition, highly improbable.

Unfortunately, this notion denudes that hard work and effort matter. Perhaps Frank truly believes that these are prerequisites for success, and his model of winner take all due to the ability to accrue more winnings

from ever farther reaches in a resource constrained environment means that we must all work harder than ever, though it will matter less and less, as fewer and fewer winners take more and more.

This is a quick read with some interesting ideas. The referenced experiment at the end of the book does not produce (by his own admission) statistically significant results, and yet he uses them to drive home his conclusions and close out the book. This seemed like a strange editorial decision to me. The detour into a tax policy discussion, ostensibly supported by the premise argument of the book, is an odd one, though makes sense if his plan was to in fact use this book as a platform for driving a discussion of progressive consumption tax. Make people feel bad about what they have, tell them that no one will be worse off if the collective frame of reference remains unchanged, and drive non-productive spending back into infrastructure.

Mark says

This is a compact book by Cornell economist Robert Frank that continues his push to get people to consider his major tax reform idea, but also clothes it in the broader issue of how much talent matters in people's success vs. luck.

Frank's main thesis, backed up by convincing studies, is that because there are so many talented, hard working people striving to succeed, the ones who do reach the rarefied air of the top 1 percent also have to have benefited from a great deal of luck, whether it is the country they were born in, their parents' education levels or random encounters they had on their way up the ladder. He illustrates with several examples from his own life, including his near death from a sudden heart attack and the fortunate breaks he got when he was starting out as a young professor.

(This is an attitude, I must say, that you will never see Donald Trump adopt).

Frank then goes on to show that a disproportionate number of wealthy people believe their good fortune is entirely their own doing and owes little to chance. The problem with this view, he said, is that it makes them loath to support the kind of tax investments in modern infrastructure, from highways to research to job creation, that undergird so much of their success, and that in and of itself has contributed mightily to our current economic inequality.

Frank's solution is one he has espoused for decades: replacing the progressive income tax with a progressive consumption tax. All earners would get to subtract their savings in any year from their incomes and be taxed only on their net income. But the tax rates would soar sharply above a certain high income level, which he said would have the effect of slowing down wasteful spending by the rich on luxuries, and making more money available to infrastructure investment.

Frank is a good writer, and this is his most personal elucidation of his theories. If you want a well reasoned approach on why we should be more grateful about our good fortune and how we can use that to our advantage as a nation, read this book.

William Boyle says

This book CLEARLY and DIRECTLY addresses the greatest problems of our time, the rapidly increasing political and economic inequities even in our most advanced societies.

FIVE stars! -- Certainly RECOMMENDED!

"Historically, two of the most worrisome practical consequences of increased inequality of wealth have been the creation of family dynasties and increased concentration of political power among the wealthy."

--Robert H. Frank, 2016.

"Success and Luck: Good Fortune and the Myth of Meritocracy," p.166.

Tristan says

The subtitle of this book might be a bit misleading. In the intro, Frank stresses that he is not saying that meritocracy is a myth (he often concedes that markets are as competitive as they've ever been) - rather, he's saying that successful people who live in meritocracies often falsely assume that their success is due wholly to their own merit. That is, they ignore the role that luck plays in their success.

Because many successful people ignore the full range of causes behind their success (many of which are outside of their control), they often feel entitled to keep 100% of their earnings. Frank thinks that if we could acknowledge the link between success and luck (like the fact that we're lucky to live in societies that offer education and public infrastructure), we would have less people spouting idiotic catchphrases like "Taxation is theft."

Frank unapologetically advocates for a progressive consumption tax (as opposed to the current progressive income tax). I am not sufficiently versed in economics to know whether this idea is the silver bullet that Frank believes it to be. However, pretty much everything he says in this book makes perfect sense, and I'm inclined to believe that if we were to adopt Frank's suggestions, we could indeed eliminate much economic waste (ie. we could "rearrange things so that some people could better achieve their goals without requiring anyone else to settle for less.").

As he points out, people who are staunchly opposed to taxation are fundamentally misguided: because we live in a world in which relative income matters (ie. your ability to buy a nice home on the beach depends purely on what other people can pay), taxing the rich does not actually reduce their ability to buy the things they want (because it's still the rich competing for that same home on the beach). Plus, what we want depends on what those around us have (so even if taxes meant that the rich could only afford Porsches rather than Ferraris, Porsches would become the new Ferraris).

Anyone who is frustrated by the rise of radical libertarianism should read Frank's books. They provide ample knowledge (and rhetorical style) with which to forcefully knock down most libertarians' claims.

Susan Oleksiw says

No one wants to believe that all the good things we achieve are the result of chance, or luck, but each one of us knows that finding a good parking space so we were on time for a meeting was plain dumb luck. But we don't continue with that thought, and include the chance meeting with the CEO before the meeting that led to a promotion. And yet, as the author Robert Frank points out, luck plays a role throughout life, and one lucky break becomes magnified over the years.

As part of the discussion, Frank presents results from studies on how believing or not believing in luck affects other behaviors. If people believe they achieved something partly because of chance, or luck, they are more likely to be generous toward others. The discussion is full of interesting studies on human behavior in relation to luck and success.

The final section of the book contains one of Frank's most interesting proposals, a new tax that would supplant all the others we now have, a consumption tax. A person's income would be taxed after deductions for total savings and basic cost of living expenses. If I earn \$100K a year (not likely, but this is hypothetical), save \$20K and spend \$50K on basic living costs (rent, food, insurance, auto, etc.), the remainder is \$30K to be spent as I choose. That would be the amount I had left to spend on optional consumer goods, and that is the amount on which I would be taxed. The value of this approach is the reduction in wasteful spending (who really needs a house with 100 rooms?), the encouragement of saving, and the guarantee that basic needs aren't crushed by taxes. The tax income would cover the needs of the country to support education, infrastructure, military, etc.

This is a short book, written in simple and clear English, offering a different way of looking at our world and how we achieved our place in it. There is much to think about here, and all of it intriguing and interesting.

JG says

This book has three main arguments:

- (i) "chance events play a much larger role in important life outcomes than most people once imagined".
- (ii) people who recognize this are more grateful and prone to accept taxes that will pay for the needed infrastructure (like education, highways, R&D) that helped them to be where they are now. This infrastructure is not for them, it is for the next generation, so they can have the same basic opportunities or tools they had. This is being grateful.

This two first point can be summarized with this quotation from the book:

"Tax resistance spawned by failure to appreciate luck's pivotal role in success has made it harder to sustain the public investment needed to support the stock of luck available to future generations."

- (iii) The last main point the author makes is to abandon the current progressive income tax in favor of a much more steeply progressive consumption tax.

The book makes a compelling case about the important role of luck in our lives and successes/misfortunes and gives evidence that the consumption tax has already been discussed and accepted by some conservative think tanks.

Joyce says

Delightful little polemic, refreshingly free of tedious moralizing. If anything the author seems so genuinely humble and grateful for the luck he's experienced in his own life that he somewhat undercuts his own

argument -- because many of his confessed strokes of luck would be considered unlucky by a less mature mind! For instance, it turns out that he was given up for adoption at birth by a member of a wealthy family... and he ends up concluding that this was very lucky for him because he considers himself naturally lazy and thinks a trust fund would have sapped him of the work ethic he needed to succeed in life. Much later he credits his survival after a medical emergency to the happenstance of close ambulance location -- but most people would be forgiven for not thinking of TOTAL HEART FAILURE as any kind of good luck! He even slyly manages to turn a savage cable TV interview into an argument for his own position.

An inordinate amount of the book is spent trying to convince skeptical readers that success tracks more closely with luck than skill/hard work... or rather probably something more like, within a given tier of skill/hard work the outcomes correlate more strongly to luck than to additional skill or work. I had no idea that this view was so controversial on the political right until I read a book recently about the Koch brothers, who revere the myth of the lone entrepreneur despite the fact that they inherited vast fortunes. I personally do not find the critical importance of luck controversial, partly because I decided to read this book only after already being convinced by the 2018 Pluchino et al paper on "Talent vs Luck" which tackles the question more directly (via computer simulation) than Frank does. I believe this author is one of the originators of the theory of "winner take all markets" so he is no rookie at this topic.

A feature of the book that I specifically enjoyed was the author's attempt to speak directly to the people most affected by the luck/talent argument, the affluent (basically defined as those who have plenty for needs but still have to prioritize for wants). The practical correlate of luck is to encourage the affluent to pay more tax to fund social equalizers, especially public education. Frank's cute twist is to point out in various ways that a lot of what the upper classes want money for is conspicuous or comparative consumption... so if ALL OF US in a certain income tier took the same tax haircut for wants, we would still be good because we'd only be competing with each other. Makes perfect sense to me and I hope the idea of consumption tax gets some traction.

Scott says

Stuart Varney and many others insist that people who amass great fortunes are invariably talented, hardworking, and socially productive. That's a bit of an overstatement—think of lip-synching boy bands, or derivatives traders who got spectacularly rich who got spectacularly rich before bringing the world economy to its knees. Yet it's clear that most of the biggest winners in the marketplace are both extremely talented and hardworking. On this point, Varney is largely correct.

But what about the many talented and hardworking people who never achieve much material success? (7)

The point of Frank's book is not that successful people are simply lucky, but that luck is often the deciding factor amongst a group of talented and hardworking people. To argue this hypothesis, Frank uses a mixture of psychological studies and anecdotal evidence from his own life, much of it dealing with athletics and music, clearly Frank's two most hobbies, having wanted to be a professional baseball player and having professional gigs as a hotel pianist.

Frank says that there may be a “perversely adaptive” advantage to believing that talent and hard work are the only deciding factors, because more realistic beliefs might discourage effort, while unrealistic beliefs may make the necessary effort easier (7). When these false notions are applied on a grand scale, it gets worse. He likens it to the superwealthy driving Ferraris on potholes rather than driving less expensive Porsches on smooth asphalt, even though the latter is clearly the less expensive option.

This distortion occurs because what happens when any one person spends less on a car is very different from what happens when everyone spends less. In the former case, the buyer feels deprived. But when everyone spends less, the relevant frame of reference shifts, leaving drivers just as satisfied as before. (16)

This is why it is important to raise taxes on the rich, because they would all be curbing their luxuries relative to one another, and would not notice significant lifestyle differences of the sort that affect those at the low end of the pay scale. “If you alone experience an income decline, you are less able to buy what you want. But when everyone’s income declines simultaneously, relative purchasing power is unaffected. And it’s relative purchasing power that determines who gets the things that are in short supply” (92). Frank, an author of widely adopted economics textbooks and professor at Cornell University, totally rejects the libertarian view that taxation is theft. “A country without taxes couldn’t field an army, after all, and would soon be overrun by a country that had one. Its residents would then have to pay taxes to that country. A country without mandatory taxation is the political analog of a highly unstable isotope in chemistry” (97). I for one would love to see the 1% move to their own little island with no taxes and get overrun and have all their money taken away and redistributed. It would be a good lesson for them. Bruce Bartlett, senior economic advisor to Reagan and H.W. Bush says that the W. Bush tax cuts created an incredibly large budget shortfall, one that could eliminate the backlog of U.S. infrastructure, but people’s failure to appreciate that being born into the right environment is so lucky that they become reluctant to pay the taxes to support the investments necessary to maintain a good environment (90). His conclusion is that income tax should be replaced with a progressive consumption tax, an idea so modest that even a far-right think tank, Americans for Prosperity, has proposed it, as did Milton Friedman during World War II, who personally sent Frank a copy of his 1943 article on the subject calling for it as the best way to pay war expenses (126). This tax would encourage people to save their money, because it would be based on income minus savings minus a set number deemed adequate to a family’s expenses, say the first \$30,000, would go untaxed. Frank cites Donald Boudreaux as claiming that such a tax would encourage envy, believing the reality to be that “many important rewards in life depend on relative position” (122). Frank cautions that the country would need to be at full employment to implement the tax (125), but never mentions that business interests lobby to prevent full employment as a strategy to keep themselves in power. He does believe, however, that announcing its gradual phase-in would accelerate consumption in the upper classes trying to avoid such a tax and stimulate the economy, but that accelerating infrastructure spending would work even better (162).

Hindsight bias is a major factor that makes successful people often think that they got far without luck, or created their own—the retelling of the narrative from a sense of the inevitable. Paul Lazarfeld showed scientifically the insidiousness of hindsight bias. In a study, he told people that a study showed that rural soldiers adapted better to the privations of World War II than did their urban counterparts. The test subjects came up with all sorts of reasons why this was “obviously” true, then Lazarfeld revealed that the study was a fabrication and that the actual study showed that soldiers of urban origins had adapted better. The point being that once you know what happened, it is easy to come up with explanations why (21).

Duncan Watts, who recommends the book on the back cover, notes the example of Da Vinci’s *Mona Lisa*

achieving its fame over other paintings by Leonardo da Vinci of similar quality is derived from it having been stolen by Vincenzo Peruggia, an Italian who tried to repatriate it to his own country by hiding it under his coat, which led to its global reproduction in newspapers after a long period of obscurity (22). I have never seen the painting in person, but I've been told that it's very small. If it's as small as Salvador Dalí's *The Persistence of Memory*, it's very easy to imagine why Peruggia stole it over other Da Vincis. After all, Da Vinci's next most famous painting, *The Last Supper*, is a mural, and thus very implausible for theft. It's not hard for me to imagine someone hiding *The Persistence of Memory* under their clothes and getting past security of 1911 quality with it. Further examples include the unlikelihood of success of Al Pacino and Bryan Cranston, both of which occurred because a creative director got his way in unlikely circumstances and with studio opposition (Frank erroneously says that *The Godfather* was Francis Ford Coppola's first film to emphasize his point, but that ignores *Finian's Rainbow*, *The Rain People*, and others.) Both are extremely talented, but Cranston was mid-career before he got a break, and had John Cusack or Matthew Broderick accepted the role of Walter White, Cranston would still be a relatively unknown working actor (24).

Citing findings by MusicLab (31), Frank says that while works of unambiguously high quality can sometimes succeed even in the face of early negative commentary, but that most successes come because the earliest reviewers happen to like them. "Many artistic endeavors owe their success, at least in part, to pure dumb luck" (31). I think *Rocky* is an excellent example of this. It got its share of negative reviews that I consider more astute, as I attempted to put on Wikipedia but got truncated, but many of the highest profile reviewers gave it at least mildly positive reviews, and it now has seven sequels. I have had cyberbullies insist that film industry professionals have read my scripts and found them wanting, but this is a completely false statement, since no one has gotten more than a query letter from me, to which they responded with form query letters. The fact that my work has never been given an opportunity means neither that it is of poor quality nor that I am lazy, but strangers continue to assume so based on personal biases. He cites a similar issue in classical music, a market bigger than ever but with fewer performers than ever thanks to high definition recording technology. "Once the master recording of a tenor's performance has been made, it's essentially costless to make additional copies of it. That's also why only a small handful of artists land seven-figure recording contracts, even as thousands of others—many of them nearly as talented—struggle to get by as elementary school music teachers" (47). Having performed in amateur and semiprofessional opera, I know how true this is. Nicholas Tamagna is easily the best countertenor I have ever heard, easily surpassing any I have heard on a commercial recording. Others who have heard him also say so, and he's getting a steady stream of work in smaller opera companies across the country, but he appears to still be a long way from stardom, even if he appears to be closer to it than many of the rest of us. In both college and graduate school, studying film, I was assigned to read Walter Benjamin's essay "The Work of Art in the Age of Mechanical Reproduction," but Benjamin was writing about the intrinsic value of the unique art work, such as a painting, whereas few would want to watch a film negative in its entirety, nor would destroying a print result in the same level of punishment (or loss to the art world) as that of destroying a painting. The tone of the essay suggests Benjamin would find an argument about jobs banal, in spite of dealing with similar ideas.

Frank wants to believe the hypothesis of Chris Anderson's *The Long Tail*, but the evidence appears to be going in the opposite direction. The proportion of titles selling fewer than 100 copies a year, was 91% in 2007 and 94% in 2011 during a period in which overall sales nearly doubled (48). Anderson believes that sales for such materials will increase when the hype for larger-selling titles dissipates, but the evidence does not show this. Frank wants to believe that the hypothesis is true, his sons having a band ironically called The Nepotist. Technology has made this even worse, as shown by Barry Schwartz in *The Paradox of Choice*, with most people disliking searching through a wide variety of options (hence the success of Blockbuster in the 1980s and 1990s, which I despised for its poor selection), and digging online takes a lot more patience than a browse through a store. Based on these studies, being a "Johnny-come-lately" in reviewing isn't much help, even on a grander scale. I recall a published film guide that gave the maximum rating to *Moron Movies*

and *More Moron Movies*, video collections that spoof how-to videos by having a guy use common household products in unusual ways, but it was not in consensus with other film guides, which gave them average reviews, and in terms of distribution, I rarely saw them on video store shelves let alone watched them for their contents. James Rolfe's *The Angry Video Game Nerd* became a success reviewing old products, but except for a few specials, his reviews are all comedically negative. A fan of Rolfe created a fictional cousin called *The Happy Video Game Nerd*, who reviews underrated gems, but he doesn't have anywhere near Rolfe's hit count.

Conversely, the explosive growth in CEO pay was unheard of until recently, and has little to do with talent or ability—think of all the golden parachutes that have been given out to CEOs that have made their companies worse off than when they started. In decades past, a new CEO was groomed from within a company—someone who knew the specific business was desired, thus CEO pay was a negotiation between board and successor and not comparable to the pay of a CEO in a completely different field the way it has become, to the detriment of most (50).

I have a master's degree and live in a homeless shelter. They tell us with those with college degrees make more than those without, but Frank shows this is a manipulation of misleading data:

Yes, the earnings differential between college graduates and others is now wider than it was thirty years ago. Yet if we look only at the distribution of earnings among college graduates, we see the same pattern for society. For most college graduates, wage increases have been either small or nonexistent in recent decades. The premium for college graduates exists because a relatively small number of the most successful graduates have enjoyed spectacular earnings growth during the same period. (53-54)

Chance events are more likely to be decisive in any competition as the number of contestants increases. That's because winning a competition with a large number of contestants requires that almost everything go right. And that, in turn, means that even when luck counts for only a trivial part of overall performance, there's rarely a winner who wasn't also very lucky.

He illustrates this with the record holders of four track events (63-64), all of whom set their records with measurable tailwinds with the exception of Florence Griffith Joyner, while none set records with headwinds. Frank takes the analogy further with his friend, Tom Gilovich, with whom he was playing tennis when he would have died had it not been for an ambulance being closer than it normally would have been, tailwinds feel great, but they are easy to forget, while headwinds are arduous and require struggle. People are more inclined to remember their struggles than things that went easily for them, and hence, to discount the importance of luck (80-81).

If luck has only a very small effect on performance, why is it so hard to win a large contest unless you're very lucky? Two factors are involved. One is that the inherent randomness of luck means that the most skilled contestant is no more likely to be lucky than anyone else. The second factor is that with a large number of contents, there are bound to be many with those close to the maximum skill level, and among those at least some will also happen to be very lucky. With very large contestant pools, then, there will almost always be someone who is almost as skillful as the most talented contestant, but is also significantly luckier. So even when

luck counts for only a tiny fraction of total performance, the winner of a large contest will seldom be the most skillful contestant, but will usually be one of the luckiest.

[The expected performance level of the most skillful of 1,000 contestants in any contest is $P = 0.95 \times 99.99 + 0.05 \times 50 = 97.4$, which is only 2.6 points below the maximum value. But with 999 other contestants, that score usually won't be good enough to win. (155)]

The situations described in appendix 1 also help us understand both the strengths and weaknesses of the human capital approach discussed earlier. People who achieve material success on a grand scale will almost always be both highly talented and extremely hardworking, just as the human capital approach suggests. But the simulations also make clear, in a way the human capital approach does not, why so many extremely talented and hardworking people fail to achieve any significant measure of material success. Many of them are simply less lucky than the winners.

If the simulations challenge our intuitions about the importance of chance events, it's at least in part because we sense, correctly, that performance depends far more strongly on ability and effort than on small random occurrences. Our intuitions often fail because even things that are highly improbable in any specific instance become likely if there are enough opportunities for them to occur. (66)

To me, this feels like a vindication. So many people who have never met me, plus my conservative family, believe that I am lazy or untalented. My mother had a tendency to yell, "Gifted and talented—ha!" because I was in the gifted and talented program in school, but my gifts and talents were not manifesting in the ways she would have liked—obedience, doing routine chores, and doing better in math (I was good in everything else except for physical education and industrial arts). I can show people job postings to which I have applied, with absolutely nothing posted on them that I do not have, but either never heard back or was turned down without an interview. This cannot correctly be described as lack of ability or effort on my part, but can be described as bad luck (although the will of others would be more accurate), particularly when CareerBuilder shows over 1,500 applicants for a single opening. It is likely that no human being actually saw my resume, which cannot reasonably be considered my fault. If the computer is rejecting people whose resumes do not mention an associate's degree, it could be because I worked too hard and got into a baccalaureate program immediately on entering college and never earned an associate's degree per se and thus don't falsely put one on my resume. A human reading my resume would know that I exceed that requirement, while a computer would not unless it were programmed with all the right variables. As Bryan Cranston says, "without luck you will not have a successful career (68)".

Our understanding of human cognition suggests additional reasons for the tendency to underestimate luck's role in success. One of the rules of thumb people often use when making judgments is the so-called availability heuristic. Suppose you're asked, "Which are more frequent: English words that start with the letter 'R,' or those that have 'R' as their third letter?" Using the availability heuristic, most people would react by trying to think of examples in each category. That approach usually works well, since examples of things that occur more frequently are generally easier to summon from memory. And since most people find it easier to think of examples of words starting with "R," the availability heuristic leads them to the answer that such words occur more frequently. Yet English words with "R" in the third slot are actually far more numerous.

The availability heuristic fails here because frequency isn't the only thing that governs ease of recall. We store words in our memories in multiple ways—by their meanings, by the sounds they make and the images they evoke, by their first letters, and by numerous other features. But virtually no one stores words in memory by the identity of their third letter.

The availability heuristic suggests that when we construct narratives about how the world works, we rely more heavily on information that happens to be more accessible from memory. But that almost guarantees that our accounts will be biased, since some types of information are far more readily accessible than others. Information about things we've experienced repeatedly for example, is far more salient than information about things we've only heard or read about infrequently. Information in the latter category has a much harder time breaking through. (79)

[continued in comments]

John Stein says

A vitally important observation, that leaders need to understand, but should have been a much better book.

Let's face it, our society is built on the myth of Meritocracy - that the winners got there because they are the "best" and through their own industry and hard work "deserve" their success. The reality is that while in success and work and talent are somewhat correlated in the aggregate - the relationship is looser in the specific. e.g. Two talented lab assistants in the same research lab are assigned to projects. One ends up on the team that discovers something spectacular and is projected on a path to wealth and influence. The other is on a project that goes nowhere, and ends up a struggling adjunct. It is important that talented people work on research, but we delude ourselves to think that the "best" always or even often win. In a society where the rewards are skewed to the winners this has big implications. For more Read the book

Couple of criticism. First, Mr. Frank spends too much time on his personal story - which is a good example of how we are all impacted by chance. Second, I would have liked to see him focus more on why we refuse to recognize the importance of luck. He ignores the whole Weberian/"Protestant Work Ethic"/Divine Election aspect of the topic - and that is a real loss. I found the omission odd, from an economist. But anyway, still a worthwhile read.

Scott Johnson says

I should mail a hard copy of this to my father and ever other Republican family member I possess.

It's a fantastic and inoffensive approach to introducing a way of thinking that, frankly, goes counter to the exact "reasoning" that led to our current president being in office and the continued myth of Reaganomics.

I don't really have any criticism to discuss other than a tendency to repeat himself, sometimes verbatim, at the end of chapters. At best I have minor critiques of writing like that, none of the material. Instead, I'll share

how this affected me personally and why this message resonates.

I think I was fortunate. I grew up as lucky as any of these people described in this book, and had every privilege afforded by being born to the right parents. Then from about 17 to 23, the Universe decided "fuck that guy in particular".

There were some self-inflicted wounds, like my bitterness that the sacrifices I had made in high school to get into MIT or Caltech got me no farther than Florida Tech, and that school's handling of my 36 AP credits (I had to retake all but 6 of those credits anyway, they only counted as generic "transfer credit" for electives, so what was the point), but I ran into some bad luck, plain and simple.

Just not getting into those schools was caused in no small part by where we had moved when I was in third grade. Though NY schools are the best in the country, we moved to the smallest district on Long Island; my graduating class was around 150, compared to the 1500+ in districts like Sachem. There simply weren't enough people to justify offering more AP courses, more clubs, more sports. I did literally everything that was offered.

I had a 3.9 GPA (4.4 weighted). I took all but one AP course (European History), even getting a special waiver (that was not easy to get) to allow me to take on a schedule in my senior year without a lunch period so I could take both Marine Biology (the only science elective the school offered) and still fit in AP American History, AP English, and AP Physics, as both Physics and Marine Bio were 2-period classes (we had 9 period days).

This is a year most seniors with my GPA were afforded "senior privilege", wherein you could elect to skip 1st period and come in late (I was in orchestra from 2nd grade onward, which is always 1st period, so not an option), skip 9th period and go home early (the double-period AP sciences were always 8th and 9th period, and as I was planning to MAJOR in physics, that was not an option to forego AP Physics), or have a second lunch period.....I didn't even have ONE!

I was in every academic club: Science Olympiad (made states or 1st alternate every year despite not having any resources other schools have, like massive dedicated budgets or multiple teams), Academic Decathlon (not quite as successful, this club struggled from lack of interest and a good advisor), National Honor Society, Pit Orchestra for the theater, Chamber Orchestra (an extra after-school group who gave up 3 evenings a week to rehearse), and I was on the varsity Bowling team (the only sport I could really do after my injuries in middle school). I volunteered at the local Salvation Army processing donated computer equipment and setting it up for use by their eventual recipients.

From 15 onward I had a job. I started as a magician/general performer for a neighbor's party entertainment company...how lucky to have those neighbors and have my magic act randomly come up in a conversation they had with my dad? This meant I didn't have weekends, both Saturday and Sunday began at 5am loading equipment into a van, driving all over the state and performing for 14+ hours, then unloading the van at 10pm. But I made more in two days than any of my friends did in a month!

When they moved 30 miles away (how unlucky!), I couldn't drive yet (my father made me wait to get my permit and license, for some reason), so I got a job at a photo lab. I was supposed to be just another cashier, but someone quit unexpectedly (more luck for me!), so the manager thought since I was smart I'd be able to pick it up faster than they could find a suitable new hire (again, I was extremely fortunate here, they should have hired someone with experience).

Unfortunately, that luck turned around and they severely screwed up some time off issues surrounding the legally required visitation periods with my mom, so I jumped ship to the Blockbuster that also happened to be hiring that same time right next door (another stroke of luck for many reasons). I got a pay raise (it wasn't as much as I'd been making doing parties, which was \$10/hr plus maybe \$300 in tips per weekend, but \$8/hr was way beyond what any of my peers made), the job was much easier, and I got both free movie rentals and a new friend (my one male manager latched onto me as the only other guy working there) who introduced me to the world of cinema and kindled a love of movies that led me to eventually make my own.

Throughout all of this, I had my responsibilities at home: taking care of a dozen animals (we basically had a zoo), cleaning, chopping wood. I listened to physics lectures while I chopped, though my family bullied me incessantly for habits like that. I was doing everything that I could to prepare for a career in physics.

I was raised to expect that hard work and skill were the only factors that mattered. My father would disagree violently with every idea in this book, and so would young 17 year old me awaiting response letters from colleges. Then I got rejection, after rejection, after rejection. I got into Florida Tech and Worcester Polytech (and SUNY Albany, despite the fact that I didn't even bother finishing the application after I got my first acceptance in the mail and knew I didn't need a safety school anymore). Only the former gave me any scholarship award, and it was conveniently as far away from my family as possible.

My hard-earned AP credits didn't allow me to basically skip my first two semesters of boring prerequisites, as was the plan, they were only accepted as generic transfer credit. Being shoved into repeating Calculus, Physics 1, Composition & Rhetoric (writing course AP English should have covered), Chemistry, Biology....it left me bitter and led to laziness. I didn't have to try when it was a class I'd already excelled at, and it set me up for a struggle later when things actually got hard. In short, it broke my spirit, as it was completely beyond my control despite all of my previous hard work and sacrificing any high school social life I could have had.

This was my first taste of the idea that the world owes me nothing. I could try as hard as I wanted and be better than everyone I saw, but still just a bit of bad luck one day could undo it all. Had I simply moved into a school district 15 miles north, I may have had a slightly different spread of AP classes (more science, fewer humanities), maybe an extra club or two, or an extra sport, and suddenly I'm at MIT with a full scholarship instead of drowning in debt at FIT. Maybe a reviewer of applications one day was a hardcore Star Trek fan and I referenced Star Wars in my essay on that one. Who knows.... All I do know is I did everything that was within my powers as a teenager, and I failed.

In college, this trend continued.....

Our class was kind of a lost generation, in my department. We came in during a seismic shift in departmental power, and as such we didn't get a lot of guidance. No one told us what an REU program was, but just two classes after us there was a daily bombardment of departmental emails advertising opportunities. We were told not to seek research experience with faculty until our junior year, but the class after us was told to start right away....so by the time we were juniors, all of the labs were already full of students a year behind us and there was no room.

We simply got lost in the shuffle of administrative changeover, and today, only two of my graduating class is employed in our field; only one that I know of got a PhD, out of a class of 25 (a more typical ratio for this field is about 1 in 3 or 4).

Similarly, we graduated at the tail end of the Bush administration and the Great Recession. There were no

jobs for physicists without doctorates and 10 years of prior experience. A quirk of the timing of our birth meant that 90% of us had to scramble to find marketable skills in other fields quickly. I ended up as a wedding photographer, veterinary technician, high school math teacher, and eventually software engineer. Others in my class are teachers, some are even working in retail to this day.

But here's the big twist: I should never have gotten my first programming job! I was forced to reluctantly learn Python during my Master's degree program. My advisor (Hakeem Oluseyi, who some of you may recognize if you ever watch the Discovery or Science channels) didn't know my primary language, C++, and had the power to make me adapt rather than having to work a little harder to understand my code. I was annoyed at the time, but little did I know how much that would change the entire course of my life.

An advertisement came up when I was searching for math-related jobs here in Melbourne, looking for someone who knew Python and statistics. Perfect! Except it also wanted MySQL, Javascript, experience with the Django framework, etc. That was iffy, I hadn't even heard of half of those things!

But I bulshitted a cover letter and sent in a resume and landed an interview. It turns out the owner, a man named Colin Delia, had an incredibly similar history to mine. He was wealthy and had attended Princeton....for physics! We shared our hero-worship of Richard Feynman and Freeman Dyson. He had also dabbled in teaching briefly. In the end, I was hired despite my complete lack of qualification for the position because he wanted another friend, and he believed my assertions that physicists were trained to learn quickly and adapt.

That's not to say he was wrong or I was completely talking out of my ass. I learned in a year what many go to school for four years to learn in a computer science degree. Near the end, I accidentally stumbled upon the idea of genetic algorithms in designing a way to automatically generate new symbol sequences for the virtual slot machine reels such that the payout distribution fit a desired pattern. I was thrown to the lions (or rather did everything I could to sneak into the cage myself) and survived.

But the point is that's how I got to where I am now, about to cross the threshold of a six-figure income, from seemingly-hopeless poverty and relying on a charity organization to not become homeless at one point.

Luck robbed me of advancement on my own merit and broke my spirit. But luck also brought me back and gave me a job that I should never have gotten on my own.

What are the odds that there is a programming job available within ten miles of where I was living (in an area, as I learned, where the predominant programming languages are C++, Java, and ASP/.NET)? Then what are the odds that the owner of the company advertising it also went to school for physics, and very near to NYC so we had so much in common culturally? Then what are the odds that we've read the exact same books and had been initially interested in the same sub-field? Then what are the odds that this business owner decides to take a chance and make an objectively bad decision to hire someone with no qualifications simply because we got along personally?

Don't get me wrong. As this author stresses repeatedly, hard work and uncommon skill are prerequisites to even be in the position to take advantage of such a lucky break. I worked harder in that year with Colin than I ever had in my life, and if I hadn't I would have been right back where I started. But never can I pretend that I got where I am today simply by my own hand. If that had happened, I would have taken an incredibly different career trajectory. Or, what would have happened if I had never been able to find that programming job? Where would I have ended up, since surely no other manager would have looked twice at my resume without that personal connection?

Similarly, luck continues to mess with me. I mentioned "a year" with Colin? Turns out he was just using me as a stop-gap; in the agreement to acquire the company from his partners, he had to sign a non-compete to not poach his former lead developer from them. The day that expired, I was fired and that guy came back. Then, 8 months later, the very week I ran out of money and unemployment compensation, I got a local job at GFS....once again despite having zero experience with any of the technology they used. The next day, my girlfriend gets into the PhD program here at FIT and has to move back to Melbourne....after I just got a job that locks me into Grand Rapids. Then, weeks later, the DAY I dropped a deposit check to take over the shared lease by myself, I finally got an offer for a remote programming position that allowed me to move as well.

I think because I started with everything, lost it all, and then got it all back, all through amazing twists of fate, it makes me appreciate the message of this book all the more. I'm happy to pay a larger sum in taxes today than my entire pre-tax salary as a teacher, because I was once the recipient of benefits and assistance that allowed me to claw my way back to solvency. I don't take for granted how fragile my career has been; it makes me grateful to have such a nice job, but at the same time it makes me fight harder for what I (and my coworkers) deserve. It makes me take even greater offense when "job creators" complain when asked to pay their fair share, and try to short us workers so they can have just a little bit more.

I wholeheartedly support this author's proposal for a progressive consumption tax! And I respect the rational way he laid out that premise. I think this book should be mandatory reading for everyone who loves to wax nostalgic about how hard work got them where they are today.

Hard work DID get me where I am today...but so did incredible luck, both good and bad, and my reliance on others' investment in government programs that kept my afloat through those turbulent years. I will never forget that.

To quote my favorite comedian's late wife: "It's chaos. Be kind."
